Program Performance

Performance Overview

The Department has made progress in achieving the goals set out in its Strategic Plan, issued September 30, 2003. The following sections focus on the Department's four strategic goals: Defense, Energy, Science, and Environment. Included within each strategic goal section is an overview of the Strategic Goal, the applicable General Goal(s), key GPRA Program Goals, (hereafter referred to as "program goals"), and associated key annual targets. These key program goals and the performance of these annual targets demonstrate the incremental progress toward the General Goal and ultimately the Strategic Goal. Each Strategic Goal section also includes a Performance Scorecard, a description of how the public is served by the actions of the Department, and a discussion on challenges and expectations for the future.

The Department's performance progress is provided in detail in the Performance Results section. This section provides the year-end assessment of each annual performance target for FY 2004, performance information for the past three fiscal years (FY 2001 – FY 2003), and an update on the progress of those FY 2003 targets that were not achieved last year ("Status of Unmet FY 2003 Performance Goals").

OUR PERFORMANCE MANAGEMENT STRUCTURE

The Department of Energy's overarching mission is to advance the national, economic and energy security of the United States; to promote scientific and technological innovation in support of that mission; and to ensure the environmental cleanup of the national nuclear weapons complex.

The Department has four strategic goals toward achieving this mission. A strategic goal is a statement of aim or purpose that agencies include in a strategic plan. Typically, a strategic goal will not be directly measurable. Strategic goals are used by the Department to group general and program goals in a performance budget.

The Department has seven long-term general goals to implement these strategic goals. A general goal defines more specifically what the Department plans to achieve in carrying out its mission over a period of time. The goal is expressed in a man-

ner which allows a future assessment to be made of whether the goal was or is being achieved. General goals are typically outcome-type goals.

To ensure consistency for a 10 to 15 year period and direct alignment with our strategic plan, the Department implemented 59 programs, each focused on one program goal. These goals are defined as outcome-oriented and should be centered on a program's core purpose.

In FY 2004, the Department tracked 255 GPRA-level annual performance targets. These targets set a level of performance which is expressed as a tangible, measurable objective, against which actual achievement can be compared. Performance targets can be either outcomes or outputs.

An example of the Performance Management Framework cascade is depicted below.

ENVIRONMENT

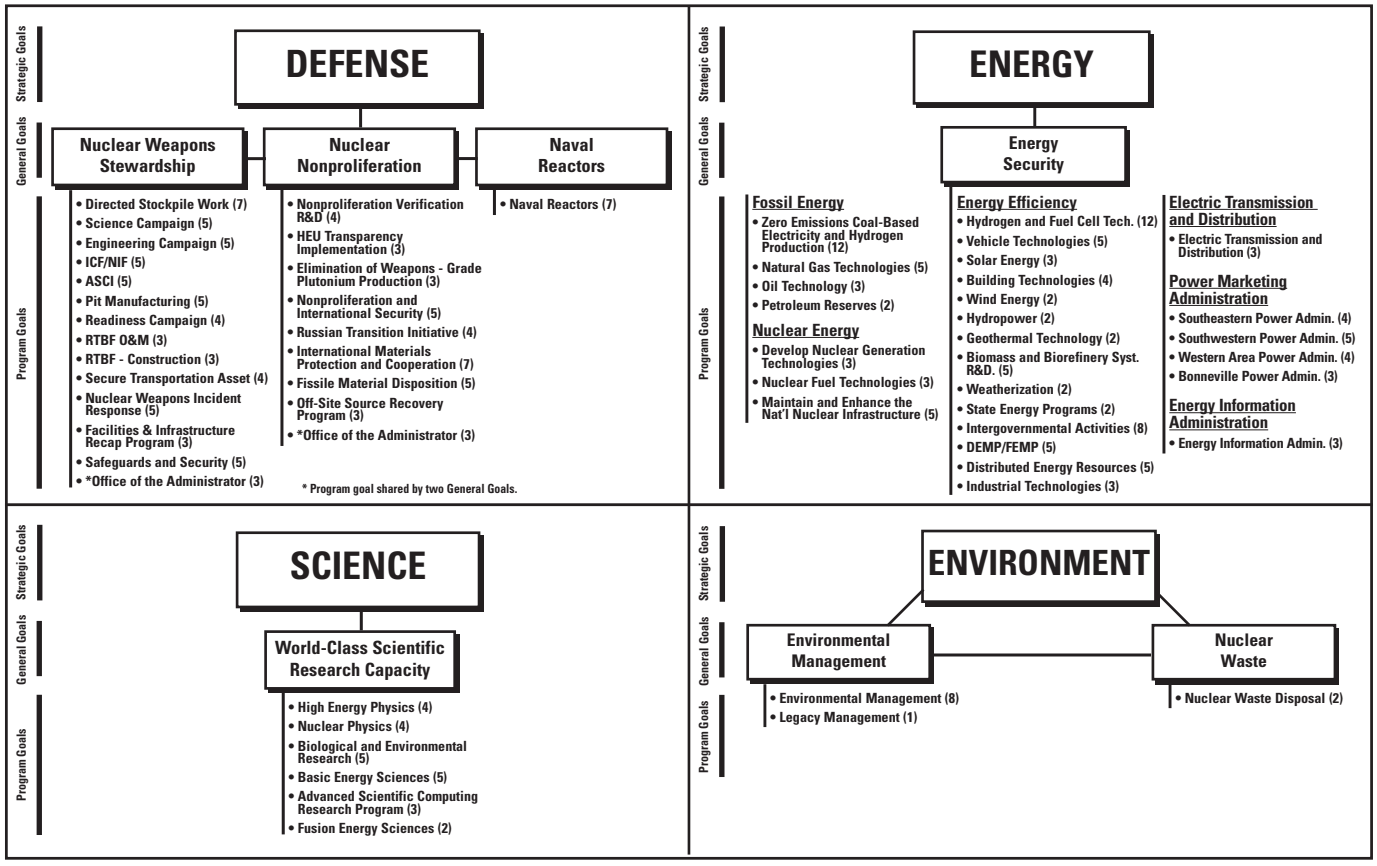
Environment Strategic Goal: To protect the environment by providing a responsible resolution to the environmental legacy of the Cold War and by providing for the permanent disposal of the Nation's high-level radioactive waste.

General Goal: Accelerate cleanup of nuclear weapons manufacturing and testing sites, completing cleanup of 108 contaminated sites by 2025.

Program Goal: Based on EM's accelerated risk reduction and site closure initiative, EM is targeting 89 and 100 geographic sites to be completed by the end of FY 2006 and FY 2012, respectively.

Annual Performance Target: Package 1,323 containers of plutonium metal or oxide for long-term storage, bringing the total number of containers packaged to 5,872.

A more detailed depiction of the Department's overall hierarchy, by Strategic Goal, is shown below with number of annual targets appearing in parentheses:



PERFORMANCE SCORECARD

Each Strategic Goal section includes a Performance Scorecard. This depiction reveals both cost (program costs and budgetary expenditures) and performance information in a consolidated presentation. Program costs are defined as full period costs computed using the accrual basis of accounting that recognizes expenses when incurred regardless of when the related budgetary expenditures are made. Budgetary expenditures represent the goods and services received during the current year for which the Department has paid or will be required to pay in the future. It is important to note that the budgetary expenditures will not equal program costs in any particular year because there are significant timing differences between accrued cost and budgetary expenditure recognition. As an example, if an asset with a useful life of ten years is purchased in the current year, its full cost will be recognized as a budgetary expenditure in the current year but its accounting cost will be spread over its ten-year useful life. Conversely, an unfunded liability recorded in the current year is recognized as program costs in the current year, but will not be recognized as a budgetary expenditure until funding is made available to liquidate the liability.

Based on the contribution of the annual performance targets, an assessment for each program is presented as either Green, Yellow, or Red (the methodology of which is described in the following section). Furthermore, the number of targets within each program that are assessed as either Met, Not Met (≥80%), Not Met (<80%), and "Undetermined" are exhibited.

PERFORMANCE MEASUREMENT

Actual performance against annual targets is recorded in Joule, the Department's performance measurement tracking system that was implemented in FY 2003. These results provide the basis for evaluating the Department's progress toward its program goals, and ultimately its general and strategic goals as reported in the Performance and Accountability Report (PAR). Each year, the Department adjusts its management strategies, as necessary, based on actual performance, the current resources available, and an updated national, energy, and economic outlook. This ensures that the Department is continuously fulfilling its mission to protect national, economic, and energy security with advanced science and technology.

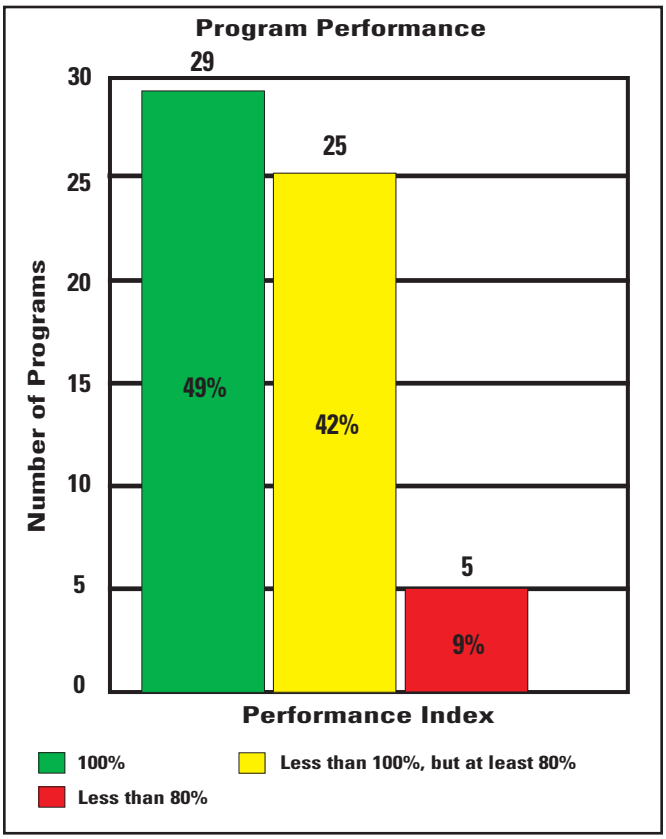
Departmental performance targets described in the PAR are aligned with the Department's Strategic Plan, issued in September 2003. These targets may differ from those included in the Annual Performance Plan (APP) submitted to Congress in February 2003. Some targets, originally included in the February 2003 APP, were revised based upon the Continuing Resolution and the actual FY 2004 Congressional appropriations. The targets tracked in the Joule system represent the revised FY 2004 APP. This report communicates the Department's achievement against those performance targets. The Strategic Plan and the APP can both be found at: http://crinfo.doe.gov/officedocs/me20/Library.htm.

For FY 2004, the definitions used for rating/assessments of each annual target as well as each program goal are as follows:

- 100 percent of the annual target/program goal was met (equivalent to **Green** in the Performance Scorecard).
- Unmet due to achievement of only at or above 80 percent, but below 100 percent, of the annual target/program goal (equivalent to **Yellow** in the Performance Scorecard).
- Unmet due to achievement of less than 80 percent of the annual target/program goal (equivalent to **Red** in the Performance Scorecard).
- Performance results that are undetermined at the time of publishing of the PAR or due to other factors are coded as **Red** in the Performance Scorecard and categorized as "undetermined" (this designation was not used in FY 2003).

By default, annual performance targets contribute equally to the rating of their associated program. However, program offices had the option of applying a custom weighting scheme to their targets, prioritizing targets in order of significance. Program offices were free to develop their own methodology for assigning custom weights, but had to adhere to two rules: (1) the sum of the weights for targets associated with any given program goal must equal 100 percent, and (2) no target may receive a weight of zero. The weighted distribution determined the contribution of the target toward the assessment (i.e., Green, Yellow, or Red) of the program.

Overall performance for FY 2004 of the programs is depicted in the following chart, using the below color-coding scheme.



VALIDATION AND VERIFICATION OF PERFORMANCE

Validation and verification of the Department's performance is accomplished by periodic reviews, certifications, and audits. Because of the size and diversity of the Department's portfolio, validation and verification is supported by budget preparation analysis, internal controls, automated systems, external expert analysis, and management reviews.

The Department's end-of-year reporting process includes certifications by heads of program elements on the accuracy of reported results. The results are internally reviewed for quality and completeness by the Department and key internal controls related to performance reporting were considered by the Department's independent auditors. Source data substantiating performance target results exist within the program offices, the National Laboratories, and the Department's contractor work force.

Budget Preparation Analysis: The Department provides verification and validation of the program contribution to the Departmental goals (Strategic and General) when completing the review and analysis of the Program Plans and the annual budget submission. Furthermore, the Department reviews all performance targets, submitted at each phase of the budget development, to ensure that they will effectively contribute to the achievement of the program and Departmental goals.

Internal Controls: During FY 2004, the Department strengthened its internal controls to enhance verification and validation. For instance, performance measurement training that addressed such criteria as relevance, meaningfulness, auditability, and accuracy of measurement results was offered on a quarterly basis. Training on internal controls for performance measurement was also provided to the program offices. These actions have assisted the program offices in establishing procedures to ensure the validation of performance results.

Automated Systems: For the past two years, Joule has been used for collecting and quantitatively presenting results and evaluating performance. The system allows remote data entry, monitoring, and oversight. Program offices directly input quarterly performance results during the year. End-of-year information performance inputs are used for the analysis and preparation of the PAR.

External Independent Analysis: Examining the Program Assessment Rating Tool (PART) assessments conducted by the OMB through 2003, revealed that a majority of the Department's assessed programs were found to have undergone independent evaluations of sufficient scope and quality on a regular basis, or as needed, to gauge program effectiveness and to support program improvements. In addition, programs were reviewed and audited by the Department's Office of Inspector General (http://www.ig.doe.gov/reports.htm) as well as the Government Accountability Office (http://www.gao.gov/index.html).

Management Reviews: In accordance with the FMFIA Act of 1992, the Department performs extensive evaluations of its management controls in effect during the fiscal year. Our evaluations include an assessment of whether the management

controls of the Department are in compliance with the standards prescribed by the Comptroller General. The purpose of these evaluations is to provide reasonable assurance that the management controls are working effectively, that program and administrative functions (including the accuracy and reliability of the reporting of performance results) are performed in an economical and efficient manner consistent with applicable laws and that the potential for waste, fraud, abuse or mismanagement of assets is minimized.

FY 2004 PROGRAM ASSESSMENT RATING TOOL (PART)

PART was developed by OMB in FY 2002 as a key component for implementing the PMA, specifically, the Budget and Performance Integration component. PART grew out of the Administration's desire to provide federal agencies with a disciplined tool for assessing program planning, management, and performance against quantitative, outcome-oriented goals. As an instrument for periodically evaluating the effectiveness of our programs, PART enables federal managers to identify and rectify real and potential problems associated with program performance.

Through FY 2004, the Department has completed official assessments for 39 (two-thirds) of its 59 GRPA Program Units, putting it well-ahead of OMB's implementation schedule for the federal government. Of these 39, over half are rated as "Moderately Effective" or "Effective." Detailed information on PART scores and OMB's findings are located at the following website: http://www.mbe.doe.gov/progliaison/par2004.htm

PART provides a pathway for the Department and OMB to agree upon meaningful long-term and annual goals for each program. As PARTs are completed for DOE programs, DOE's GPRA Program Unit goals will begin to correspond directly to the PART long-term goals, and DOE's Joule targets will correspond to the PART annual goals. FY 2004 was the first year involving PART; therefore, there is minimal representation of PART measures in this PAR.

The Department of Energy has vigorously incorporated the PART into its day-to-day program management decision-making processes. In March 2004, the Deputy Secretary of Energy established the Department's goal of assessing 100 percent of the Department's GPRA Program Units by the end of FY 2005. To meet this goal, several offices/administrations are conducting internal assessments for programs not yet scheduled for official OMB assessment. For example, the National Nuclear Security Administration requires all of its programs to complete PART assessments. This information is included in mid-year program reviews that provide management with an integrated financial and performance snapshot, which helps management identify issues and make future programming decisions.

Ultimately, the PART is designed to be an iterative process, capable of tracking the evolution of program performance over time through periodic reassessments. Key to this process are the recommendations that OMB develops during the assessment process to foster program improvement. Actions taken toward implementing PART recommendations are tracked by offices and reported to OMB annually. To see the Department's assessment of PART recommendations developed as part of the FY 2004 PART cycle (conducted during calendar year 2002) please refer to the following website: http://www.mbe.doe.gov/progliaison/par2004.htm

The on-going implementation and review of PART recommendations, coupled with the utilization of performance information derived from assessments and periodic reassessments, signify the PART as an integral process for planning and budget decision-making, as opposed to a set of one-time program evaluations. The Department will continue to make good use of this tool to ensure mission success. Please refer to Table A to see a breakdown of PARTs in support of the Department's performance management structure.

Table A:

PART Assessments (To Date) in Support of Department's Strategic Plan

Strategic Goal	General Goal	GPRA Units Assessed by OMB with the PART
Defense	Nuclear Weapons Stewardship	- Directed Stockpile Work (NNSA) - Inertial Confinement Fusions Ignition and High Yield Campaign (NNSA) - Advanced Simulation and Computing Campaign (NNSA) - Readiness in Technical Base and Facilities (Operations) (NNSA) - Secure Transportation Asset (NNSA) - Facilities and Infrastructure Recapitalization (NNSA) - Safeguards and Security (NNSA)
	Nuclear Nonproliferation	- Elimination of Weapons-Grade Plutonium Production (NNSA) - Nonproliferation and International Security (NNSA) - International Materials, Protection, Control and Cooperation (NNSA)
	Naval Reactors	
Energy	Energy Security	- Hydrogen/Fuel Cell Technology (EERE) - Vehicle Technologies (EERE) - Solar Energy (EERE) - Building Technologies (EERE) - Wind Energy (EERE) - Geothermal Technology (EERE) - Weatherization (EERE) - State Energy Programs (EERE) - Distributed Energy Resources (EERE) - Electric Transmission and Distribution (OETD) - Develop New Nuclear Generation Technologies (NE) - Nuclear Fuel Technologies (NE) - Maintain and Enhance the National Nuclear Infrastructure (NE) - Southeastern Power Administration - Southwestern Power Administration - Western Area Power Administration - Bonneville Power Administration - Zero Emissions Coal-Based Electricity and Hydrogen Prod. (FE) - Natural Gas Technologies (FE) - Oil Technology (FE) - Petroleum Reserves (FE) - Energy Information Administration (EIA)
Science	World-Class Scientific Research Capacity	- High Energy Physics (SC) - Nuclear Physics (SC) - Biological and Environmental Research (SC) - Basic Energy Sciences (SC) - Advanced Scientific Computing Research (SC) - Fusion Energy Sciences (SC)
Environment	Environmental Management	- Environmental Management (EM)
	Nuclear Waste	- Nuclear Waste Disposal (RW)